



Take on Board Podcast – Episode 347

Transcript – The risks of chairing the risk committee with Olivia Giudice

Welcome to the Take on Board podcast. Being on a board can be an incredibly valuable, interesting, and exciting experience, yet it can also be lonely, challenging, and let's face it pretty hard. So here at Take on Board, I'll bring you weekly tips, tricks and advice to help you navigate your way onto a board, onto your next board, and to build your governance wisdom.

Now on with the show.

Today on the Take on Board podcast. I'm speaking with Olivia Juda chair about. Well, all things risk committees and also chairing risk committees. Before we start the podcast today, I as always would like to acknowledge the traditional custodians of the land on which we meet. For me, I am on the unceded lands of the Wurundjeri people of the Kulin Natio, and I pay my respects to elders past and present.

I'd also like to pay my respects to any other First Nations people who may be listening today. I acknowledge their continuing connection to land, waters, skies, culture, and country. I support voice treaty and truth for Aboriginal and Torres Strait Islander peoples in Australia, and I encourage others in the Take on Board community to do the same.

Now, let me tell you about Olivia. Olivia's on the boards of Homeward Bound, uh, as a board director and the former chair of the audit Risk and finance committee. She was former on the boards of, or a, the Oesophageal Atresia Research Association. There's a mouthful, and St. Kevin's Ormond out of our school care association.

She's the current CEO of Homewood Bound. So that's interesting and of itself, folks, we might come back to it on the board and CEO. But we'll come back to that. Homewood Bound is a global leadership initiative for women leaders with a STEM background. She's also held several chief risk officer risk and audit roles across public sector and a SX listed environments.

Olivia has a keen interest in how people experience risk through behaviour, decisions and culture. My punt is we will definitely touch on that today. So welcome to the Take on Board podcast, Olivia.

Thank you very much, Helga. Very pleased to be here with you.

Oh, it is so great to have you here. Um, folks out there in the Take on Board world, Olivia and I met up just a couple of weeks ago to talk about, well, Homeward Bound and all sorts of things, and we got talking about risk and I said, I'm having a, I'm doing a podcast miniseries on chairing, so before you know it, here she is doing the podcast episode.

So thank you for taking the call before we dive into chairing risk committees and how important it is and what that, how that sets the culture. As always, I want to just dig a little bit deeper about you. Tell me what was young Olivia like and when did you get your first inkling that you might end up in the boardroom?

Hmm. Young Olivia. Uh, creative, loud,

energetic, and interestingly enough, a really early sense of kind of fairness and justice at a very young age. And I often wonder whether that kind of led me down the risk and audit and path, um, eventually leading to board roles, but that would be how I describe my younger self.

Interesting. Okay, so hang on.

I have to back this up a bit. So fairness and justice. Risk and audit, help me out here in how they connect. Um, and how, how this real interest in fairness and justice led to, to risk and audit. I'm sure the connection's there, I don't doubt it at all, but, uh, as a non-specialist in the area, just help me out on the connection.

Yeah, sure. I think I've always seen, um, you know, risk functions and audit functions as just another, another perspective in organizations. You know, helping, helping people who are leading organizations and often. Really pressed for time, really under pressure, um, making decisions in uncertain environments, uh, you know, functions like risk, like audit, um, many of their second line functions.

Finance falls into that I guess as well. Can, can be that second pair of eyes and that support and guidance and advice to, to executives in those. In those other roles in the organizations. So, um, you know, I don't know if it's exactly fairness and justice, but I guess, um, something in the risk space as well is that ability to, um, you know, work with executives around decision making.

And, and really think about sort of the impact of decisions. And often, depending on where you are in the organization, there'll be certain impacts that are really obvious and, you know, they come into your mind straight away when you're trying to make a decision, you know, whether you're in a sales function or, um, in other functions in the organization.

Um, but really, uh, you know. Monitoring or kind of second line functions can really take a step back and say, well, have we considered this? Have we considered that There's always multiple, um, impacts, and that could be positive and, and less positive to any action or decision we take. So, um, that, that's where I've sort of, I guess, you know, found purpose in those, in those roles.

So that gives us a beautiful segue. Let's dive on into chairing risk committees. The role of risk committees, you know, it feels like there's a bit of a flow in a way. There's a chair of a risk committee and you've been the chair of at least one, possibly more than one risk committee. How that flows into the risk committee itself, how that flows into the board, I guess the influence a risk committee chair can have.

So in fact, first up is the Homeward Bound Risk Committee. Is Homeward Bound your first board?

No. Those other two organizations that you mentioned? Oh, yes, I was on, on those boards. Um, this was the first board where I've taken an active role in the risk chairing the risk committee. So audit, finance, and risk.

But obviously, um, and you know, we may want to delve into this later. I, I've, I've seen and reported to and interacted with risk and audit and finance committees for, for a long time from the other side of the table, so.

Excellent. So your reflections about the chairing of that might be helpful on that side as well, but tell me, how did you, so with Homewood Bound, you joined the board, you then become the chair of the risk Audit and Finance Committee, or?

However, those three words are framed, they're often framed in a different order for different boards. How did you end up in the chair role?

So it was back in 2021, uh, you know, had met, had met the founders, had met the board chair, um, had undertaken a, you know, my own due diligence process into getting to know the organization, et cetera.

Um, and then what appealed in terms of the value that I could add? To that particular board was my risk and governance background. So the organization, and again, um, they'll have done their, the skills matrix and, and the assessment there. We're looking to, um, you know, I guess, uh, strengthen. Strengthen practices at board level, but also throughout the organization, um, from a recent governance perspective.

So, um, so that's how I ended up on the board. And, um, many board members at that time were already chairing other board committees. Uh, and so I guess it made sense for, for me, and I also was very keen to contribute to the organization in that way as well in that chairing capacity.

Fantastic. Okay, so you land in the boardroom of the organization, you land in the chair role of the risk finance and audit committee.

I know part of your, I don't know, philosophy, if that's the right word, is the risk committees and boards shape the risk culture of an organization, and they do that through behaviour and decision making. It's, it's more than just frameworks and reporting. So I'm wondering if you can tell us how. As the chair of that board, you worked with that committee, you worked with that board, you worked with the organization to help shape the risk culture.

I'm wondering if you can just tell us a bit of that story.

So I guess, um, you know, first things first is establishing and getting to know the board chair in particular, and understanding from her perspective, um, you know, setting, setting some goals for that committee. Um, understanding, you know, the areas and, and where we would like to make progress from a, from a risk and governance perspective in the organization.

Um, so that first port of call always is, um, I think just especially joining a new board as well. If you haven't already known each other from other, other spaces and places, um, just establishing that relationship with the board chair. And then where I went from there was again, meeting with my colleagues, one of my board colleagues, one-on-one, and understanding from them.

Uh, many of them had been with the organization for some time. What, what were their perspectives? Um, what, what would they, you know, where would they like to see progress and, um, improvement? Um, what was the organization doing well already, you know, definitely don't want to, you know, throw out the things that are, that are working well.

And then, and then really, I guess, you know, and it, and it's hard to, it can take quite some time to, to get to know people from a, from a human perspective and just how they, how they, uh, operate, um, you know, in that decision making space, in that action taking space. Uh, but, but. That the key value, I think that the chair of the risk committee can add, um, as well as all members of the risk committee, is that ability to step back when we're in the decision making process and, and critique ourselves as we're going along.

It's going to be a funny thing to say, but board directors are human beings as well.

Yes.

Uh, often very experienced human beings, uh, often have had, um, you know. To, um, exercise their role in lots of different situations, but, um, everyone has a way that they react to uncertainty. Everyone has a way that they, um, conscious or unconscious that.

Uh, respond to pressure, um, to criticism, to, um, to opportunity as well. So I think the chair of the risk committee really can look to provide and facilitate. With the fellow board members critique and feedback and just kind of stepping back and looking at that process.

It's almost like a self-awareness of self and then self-awareness around the group.

In this instance, the risk committee making some decisions,

every group of people that you put together, group of humans you put together will, will consciously or unconsciously have their own risk culture, right? Their own. Typical way in which they would respond to risk, to uncertainty, to opportunity as well.

And again, outside pressures, I don't want to bring too much of this into it, but just our whole life experience, you know, shapes how we respond to those things. Um. Are we more

conservative? You know, have we had some bad experiences in the past? Um, do we tend to be more in the risk taking space? You know, have we had good experiences in our lives where we've taken risk and how has that worked out for us?

You know, and, and all of these things, again, we're very much unconscious, sometimes. Come into around, um, around how boards make decisions and then again, the risk, the risk committee's role in being able to delve into some of that a little bit further. And of course, you know, any good chair facilitating that process amongst board members.

Well, I'm interested in digging into a little bit of that because, as you say, is any good chair facilitating that process? And you say it blindly as if, you know, of course everybody knows how to do that and what it's, but not everybody does. I mean, we've all, I think, been in meetings, whether they're board or committee meetings or just any meetings where then those sorts of things are not well facilitated.

So for you, what are some of the tools that you've got in your toolkit? Like what are either the formal tools or it could just be the, the questions you ask, the practices you use as chair to perhaps, you know, facilitate that conversation in a constructive way and maybe even bring some of that unconscious into the conscious.

What are some of the tools in your toolkit for that?

Outside of the boardroom. I think again, doing what you can to get to know your board colleagues, your risk committee colleagues, uh, understanding their, you know, the things they're excited about, understanding their concerns, having and holding that space for them to express those things one-on-one to you rather than, you know, as we know, everyone contributes and everyone, um, has different ways in which.

They prefer to raise questions or express opinions in board meetings. So that, that for me is sort of the, the starting point. A good agenda can help things as well, or even stepping back from the agenda. Being really clear on, apart from the usual business of a risk committee or a, or a board where we've got, you know, decisions to make or feedback to give to management or, you know, et cetera, et cetera.

Being really clear on what we want to get out that meeting and what, what do we want to have progressed. By the end of that meeting. And sometimes that's listed in an agenda, sometimes it's a discussion at the start of the meeting just to confirm that. And when you're in that active practice of having the meeting and having the dialogue or watching for cues, you know, looking at people's facial expressions, um, are they.

Biting their bottom lip because they're worried about something, you know? Um, do they have excitement in their eyes? because they're desperate to get a viewpoint across. Um, are we all looking at the papers going, these are great, but it's not telling the real story. So, you know, how can we sit down, you know, constructive, but kind way, pose some questions to the executive to help flush out some of those things.

You

reference the agenda there and. I mean, you referenced a number of tools, but I just want to explore that agenda conversation a little bit. because I think you referenced something about, um, being clear on the purpose and clear on what needs to come out that meeting, which might mean you need less on the agenda.

Who set the agenda for the meetings that you were chairing? Was that you, was it a board secretary? How did that come about? You that you could influence that.

So again, you know, uh, regular contact with the board chair, you know, and thinking about, well, what came out our last discussion? You know, all, all of those things.

Um, and something that I've found really useful on agendas over the years is kind of three sections to the agenda. At, at the top of the agenda is for decision. Item Y item, so we know we got to read the paper. We might even have to have some discussions to clarify ahead, and then we know that those particularly things need to be decided in the meeting.

Then next section, full feedback. I love being part of, and in my executive time reporting to boards that were willing to look at something a number of times and provide input and feedback along the way. Obviously that's very much, you know, working within time constraints and all of those things of board members, but on particularly on critical sort of strategic matters or other other decisions.

Significant impact on the organization, that ability to come to the board or the risk committee, you know, a couple of times. And to develop that, you know, in with the ability to develop that further. And then down the bottom is for noting, read it. Um, but we won't spend too much time. We might just have some question time around that in, in that particular meeting.

It's interesting, isn't it? You know, I'm hearing building the relationships, building a particularly a strong relationship with the chair, building a strong relationship with your colleagues that are on that committee as well as that are on the board. Because building the bis, the, the risk culture is across the board and the organization, you know, strategically thinking about the agenda.

It's so interesting in so little is about chairing the actual meeting. And so much is about the invisible work that goes around it.

It's the setup. Exactly. I I would say a lot of it. And it's like, you know, so many things in life, 80% of the effort in the planning and then, and then the execution there is I think, um, in that chairing role, in, in the meeting itself, always offering that opportunity for all committee members or board members to.

Raise a question, offer a comment, offer a perspective. We've all been in those meetings where we have lots of enthusiastic colleagues who very much want to get their points across or really interested in the subject matter and, and really want to, um, ask all the questions. But again, um, just. Just ensuring that everyone has that opportunity, like in any meeting, to be honest, and making sure that they have the opportunity to offer their perspective.

And, um, you know, I will probably also use the opportunity to, to also point out the value of having that diverse perspective in those groups as well. So I both in committees and across boards, again, if we think of ourselves as humans, where we have so much in common and, and also lots of differences, it's the differences and the different perspectives that add value to so many things.

I often, often think of decisions kind of like a. A glass prism, you know, and I might look at it and turn it this way and, you know, have a perspective and then pass it to my colleague over there and they'll turn it a completely different way and offer a perspective. So, and again, that's in the preparation, right?

Making sure you've got those, got those voices in the room and we haven't got the voices in the room for a particular. Subject matter or decision, bringing it in, you know, uh, bringing that expertise in will only enrich the decision and the discussion.

Well, that's interesting, isn't it? Um, I think you're right.

I love that prism analogy, by the way. And for, for committees that are looking through the prism one way and then looking through the prism the other way, often looking through the prism in one way and everybody looking at it through the same way, it's actually much easier to chair that sort of conversation or facilitate that sort of conversation.

because you know, everyone's on the same page or however we want to frame it. Bringing in the different perspectives can actually disrupt the conversation. And the real magic is in disrupting in a, as you've said, disrupting in a constructive way rather than disrupting in a negative way. What have you found works for you when you are chairing those meetings to ensure those different voices, the different perspectives in the prism, that the conversation remains constructive rather than?

Destructive.

Something that's really useful, and we've touched on it already, is being really clear on the problem we're trying to solve. Um, what's the progress we're trying to make in this meeting? Continually bringing it back to that. The other thing I. Used at Homeward Bound, but also referred to in my other roles in other organizations as well, is the organization's values as well.

So again, if we get particularly stuck on a matter, or again, we have some enthusiasm or perhaps, um, sometimes and, and we've all done this, you know. Perhaps offering comments. They're not as constructive as they could be, or a particular subject matter has triggered something in us, you know, and again, unconsciously responding to that.

I think using the organization's values and falling back on those. And just again, um, trying to think about are we behaving in accordance with those, you know, are we role modeling those as board members and committee members as well? Um, which goes back to the sort of starting point around, uh. Committees and boards actually setting and, and giving the cues for risk culture in an organization and culture more broadly.

Of course, they would be their things. And then of course there's been times hell yeah, where we've, we've set the aim. We've, we've tried to be as constructive as possible and, and we're still stuck at the end of the meeting and there's nothing like some time away and a bit of a regroup and coming back again.

The discussion or progress, the discussion. Sometimes you just hit a point and, um, you know, again, coming back fresh on another day to resume the discussion. Knowing when to call that, um, I think is a, you know, really important skill of the chair.

Absolutely. There's a reason, you know, I'll just sleep on it, is part of kind of people's thinking.

Oh, so destructive thinking processes. Yeah.

It's like a throwaway comment, but it's like. The resolution to probably 80% of problems in life.

Absolutely. Absolutely. So you, you referenced much earlier, much earlier in our conversation, um, that you'd also reported to a number of risk committees. I'm wondering what you've observed about other chairs in that role, um, what you've observed about their practice that might be valuable to share.

Chairs that ask. And, sorry, not just ask, but facilitate the asking of really good questions to the executive in a way. Um, every executive has a level of kind of nerves or discomfort about turning up to these things, right? And being grilled and questioned. So I think being clear, but asking it in such a way that, um, the executive or whoever's being, you know, asked feels, um.

Safe to be able to answer, I think is, is a skill. You know, the actual, the asking of the question, and of course the chair facilitating the asking of that question. And you could kind of always tell the ones that had had a, a good few chats, you know, in the week leading up to a committee meeting and, and we're quite clear on, you know, this is all great information, but you know, here's here's the point where we're going to, um, sort of focus in on.

Chairs and committee members who've read all the materials and absorbed the materials are pretty obvious as well to, to, um, any executive, uh, turning up to those meetings. And again, it, it's a chairing skill, but also a committee or a board director skill. Ability to look at the papers, and particularly from a risk perspective, we're kind of dancing around, you know, a particular issue or my gut's telling me there's something else going on here.

But again, asking those probing questions not in a sort of, without accusing anyone or anything, I think is really important. And having, and you know, um. I am pretty sure that that takes years and years of experience to practice, you know, honing your gut skill about then your gut feel about these things.

But um, yeah, really being able to look at them and be able to be able to say, Hmm, I feel like there's something else going on here. Let, let's ask some, let's ask some questions to see if we can get to the bottom of it.

Yeah. Great. Oh, I'm hearing so much there about that. Facilitative role. It's interesting.

Oh, we've covered so much about this already. Olivia, in the time travel's too quick.

It sure

does. So I'm wondering what are the key things you want people to take away from the conversation that we've had today?

The first one really is. Thinking about your risk committee, and I guess in the organization, your risk functions, the risk committee in particular, as being that very helpful group of people who can look at your decision making process or look at a pending decision and think through, um, the process of that decision making.

Um, and again, offer a perspective on. With the chair of the risk committee, um, you know, really being able to contribute to that decision making process and that facilitating kind of, uh, the facilitation of that to get to as good a decision as we can with the information that we have on hand. And just being, just being really alert to the fact that, um.

You know, everyone on a board or a committee is a, is a human to start off with, you know, and again, um, we each have our own, um, strengths, uh, experiences and that we bring to those roles. Um, but uh, again, time pressure. Crisis. All of those things sometimes change how we respond and we react to those things.

Uh, we touched on briefly, we touched on the paper, says All good. Nothing to see here, but my gut tells me that there's something else going on here. So again, being able to, um, follow your gut and ask the question, but ask the question in a way that the executive may open up to you instead of. Feel scared to say anything and shut down.

Um, and, and really, I guess, um, you know, from what I've observed from both sides of the table, the actual decisions that the risk committee, um, recommend and the board make, they send signals and cues to the rest of the organization around where we don't want to take risk. Where we do want to take risk. Your.

Risk appetite statement may say one thing, you know, but, um, if the decision's coming down from the board that they are really going to influence how the executive and their teams, the sort of cues that they. On around, um, again, risk, uncertainty, decision making, um, and what's appropriate in the organization around that.

Is there a resource you would like to share with the Take on Board community?

Look, one, one that I refer to, um, uh, regularly and, you know, I've sort of moved away from a lot of the technical aspects. Risk practice and really interested in the behavioural side of things. Um, and I think you've got a link to this.

Hell yeah. It's the a PR, uh, 10 risk culture dimensions, and they're split into two groups. So, you know, there are a number of elements sitting under the architecture side. There's a number of elements sitting under the behaviour side, and again. You know, the architecture is more about, you know, the documents and the policies and those, those sorts of things.

But on the behaviour side, again, I won't say regardless of what's in the document, but sometimes in spite of what's in the documents and articulated in an organization, um, you know, there's a number of elements there that, you know, uh, boards. Committees, uh, the executive can influence to build a strong risk culture in the organization.

And in the end, what is risk culture? Risk culture is really how we, you know, how we act and respond, the decisions we make under conditions of uncertainty. So I, I really like that graphic, um, because it just reminds me of all those levers that boards risk committees. CEOs, um, have to play with in order to enable a strong risk culture in the organization.

Amazing. Well, we, we'll make sure there is a link to that in the show notes for people. Oh, Olivia, thank you. Like I said, this just came from, um, us having a coffee or a tea or a cold drink, actually, I think, I think it was an icy bowl. It was a hot day. It was a

warm day.

So thank you so much for, you know, taking the call and stepping up and coming and sharing your wisdom with the Take on Board community today.

I really appreciate it. So thanks for being here.

Most welcome. Hell yeah. And you're doing some really important. Like here, sharing, um, stories from so many different board perspectives. So yeah, just it's fantastic. I'm very welcome to be here.

So that's a wrap for the Take on Board podcast today. Thank you so much for being here and being part of the Take on Board community.

I do this podcast because I love bringing good women and gender diverse people together. So I invite you to join us over in the Take on Board Facebook group. An active group that helps supports and cheer squads each other. Just search, Take on Board in Facebook to find us. I'd also really love it if you could do some of the other well podcast things.

Share the podcast with someone you know who might get some value from our discussions. Subscribe if you haven't already, and well, I also really love it when people rate and review. Thanks again for being part of the Take on Board community. Now go and put these tips, tricks, and advice into action so you can be your best in the boardroom.

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